

MACROMEDIA INC  
Form 425  
June 15, 2005

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And Deemed Filed Pursuant to Rule 14a-12

Under the Securities Exchange Act of 1934

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*Integration 101 and  
Macromedia Business  
Overview*  
June 3, 2005

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## **Agenda**

**Welcome   Jim Briody**

**Kickoff - John Brennan**

**Legal commentary - Ray Campbell**

**Integration lessons learned   Jim Briody**

**Structure & process   Jim Briody**

**Macromedia overview   Al Ramadan**

**Strategic vision   Shantanu Narayen**

**Q & A**

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Q & A



## First Principles for Integration Planning

### *Decisions & Behavior Guidelines*

Maintaining sales & revenue momentum is the single most critical priority

Operational efficiency and opex is the second most important objective, but should not interfere with sales & revenue momentum

Where possible, build a stronger company via infusion of new talent and adoption of more effective processes

Honor customer and partner relationships & commitments wherever possible

All employees will be treated with respect & dignity throughout the process

### *Decision Making*

Functional sponsors are responsible for:

Approving decisions for their functional areas

Resolving cross-functional issues with other functional sponsors

Escalating issues to Bruce & Shantanu, if necessary

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Q & A

**Regulatory guidelines**

Presentation for all employees regarding gun-jumping (Breeze presentation)

<http://macromedia.breezecentral.com/p11917687>

Q & A

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**Similarities & differences with other deals**

HP/CPQ merger was more focused on consolidation and cost structure

Adobe/Macromedia is more about growth

Same basic approach to Integration program management structure (this worked very well for HP, JP Morgan/Chase, etc)

**ISC   IPO   Functional Teams   Focused SubTeams**

Actual integration has two major phases: Operational (takes months), Strategic (takes years)

Aldus, Accelio

It is important to monitor market dynamics during integration and to change strategy as needed

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## Integration Team Structure

### Integration Steering Committee

*Shantanu Narayen, Bruce Chizen, Stephen Elop,*

*Karen Cottle, Murray Demo, Theresa Townsley*

### Integration Program Office

*Adobe  
John Brennan  
Jim Briody*

+

Macromedia  
Betsey Nelson

+

Program Advisor

Value Capture

Legal Advisor

Communications

HR / Culture

Program Mgmt

### Functional

#### Sponsors

Functional  
Team Lead

Functional  
Team Lead

Functional  
Team Lead

Functional  
Team Lead

Functional  
Team Lead

#### Integration

#### Functional

#### Teams

Counterpart

Counterpart

Counterpart

Counterpart

Counterpart

Teams  
&  
Sub-teams

Teams  
&  
Sub-teams

Teams  
&  
Sub-teams

Teams  
&  
Sub-teams

Teams  
&  
Sub-teams

## Integration Program Office Details

### Integration Program Office

*Adobe*  
*John Brennan*  
*Jim Briody*

+

*Macromedia*  
*Betsey Nelson*

+

Value Capture:  
*Iftikhar Ahmed*

Program Advisors:  
*Webb McKinney*

Communications:  
*Desiree La Maggiore*  
*& Ray Martinelli*

Legal Advisors:  
*Ray Campbell &*  
*Clint Smith*

HR / Culture:  
*Donna Morris & Ray*  
*Martinelli*

Program Mgmt:  
*Hans Grande &*  
*Scott Larrimer*

Sr. Exec Assistant:  
*Lori Gibson*



**Integration Functional Teams**

|                                              |                                                                  |                                                                          |                                                                           |                                                                                                |                                                                |                                            |                                                    |  |
|----------------------------------------------|------------------------------------------------------------------|--------------------------------------------------------------------------|---------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|----------------------------------------------------------------|--------------------------------------------|----------------------------------------------------|--|
| Mobility<br>Naresh<br>Gupta<br>Al<br>Ramadan | Platform<br>Kevin Lynch<br>Ed Rowe<br>Bob Wulff                  |                                                                          |                                                                           |                                                                                                |                                                                |                                            |                                                    |  |
| Suites/SKUs<br>Dave<br>Burkett<br>Beth Davis | Collaborative<br>Desktop<br>Tom Hale<br>Tom Malloy               |                                                                          | Sales/field<br>ops<br>Jeff<br>Russakow<br>Mark Viens<br>Scott<br>Larrimer | Operations<br>Lisa<br>Bugajski<br>Brian<br>Dudley<br>Dan Brown<br>Brian<br>Dudley<br>Mfg Front | Finance<br>Iftikhar<br>Ahmed<br>David<br>McDonough             | HR<br>Ray<br>Martinelli<br>Donna<br>Morris | Legal<br>Elizabeth<br>Hewitt<br>Donyelle<br>Thomas |  |
| Jim<br>Guerard                               | PLC<br>Digby<br>Horner<br>TBD                                    | Rich Internet Aps<br>Kurt Garbe<br>David Mendels                         | Marketing<br>Alex Amado<br>Peter Goldie<br>Drew McManus                   |                                                                                                |                                                                |                                            |                                                    |  |
|                                              | BU / Eng<br>Systems<br>(Compilation tools, PLC<br>Systems, etc.) | Marketing /<br>Comm Systems<br>(Adobe.com,<br>intranet)                  | Sales<br>Systems<br>(CRM)                                                 | Sales & Ops<br>Systems<br>(Demand<br>mgmt,<br>supply<br>chain)                                 | Finance<br>Systems<br>(BCP, Sox,<br>ACM,<br>ACM Plus,<br>etc.) | HR<br>Systems<br>(HRM, etc.)               |                                                    |  |
|                                              |                                                                  | IS<br>Janice Sue, Belinda Rodman                                         |                                                                           |                                                                                                |                                                                |                                            |                                                    |  |
|                                              |                                                                  | Real Estate, Facilities and<br>Security<br>Randy Knox III, Jim Morgensen |                                                                           |                                                                                                |                                                                |                                            |                                                    |  |
|                                              |                                                                  | HR Support / Legal Support for<br>all teams                              |                                                                           |                                                                                                |                                                                |                                            |                                                    |  |

*Note teams arranged by key planning functions, not representative of BU structure*

**Marketing Integration Team**

**Functional Sponsor: Melissa Dyrdaahl**

**Leads: Drew McManus / Penny Wilson**

Peter Goldie, Alex Amado

**Subteams**

|                                      |                                                             |                                                      |                                                             |                                            |                             |
|--------------------------------------|-------------------------------------------------------------|------------------------------------------------------|-------------------------------------------------------------|--------------------------------------------|-----------------------------|
| 1<br>Adobe.com /<br>Macromedia.com   | 2<br>Branding,<br>Advertising &<br>Direct Marketing         | 3<br>Public Relations,<br>Analyst Relations          | 4<br>Internal<br>Communications<br>& Community<br>Relations | 5<br>Customer<br>Database and<br>Lead Mgmt | 6<br>Developer<br>Relations |
| 7<br>Instructional<br>Communications | 8<br>Collateral,<br>Content, and<br>Localization<br>Process | 9<br>Events                                          | 10<br>Research &<br>Analytics                               | 11<br>Anti-Piracy                          | 12<br>Field Marketing       |
|                                      |                                                             | 13<br>Solutions &<br>Vertical Markets<br>(Edu & Gov) | 14<br>Product<br>Marketing /<br>Integrated<br>Marketing     |                                            |                             |

## Finance Structure

### Lead Team

**Iftikhar Ahmed**  
**David McDonough**

### Sub Team Lead

| 1                                | 2                            | 3                     | 4                        | 5                               | 6                                     |
|----------------------------------|------------------------------|-----------------------|--------------------------|---------------------------------|---------------------------------------|
| Quote to Cash                    | Procurement to Payment       | BU Finance            | FP&A and Finance Systems | Treasury                        | IA and SOX                            |
|                                  | Accounting and Reporting     | Controller            |                          |                                 |                                       |
| Bob Salera<br>David<br>Bernstein | Chris Csubak<br>Mike Strambi | Judy Shao<br>NedSizer | Joe Nemeth<br>NedSizer   | Barbara Hill<br>Michael Strambi | Eric Allegakoen<br>David<br>McDonough |

Operations Structure

**Operations Team**

**Lisa Bugajski**  
**Dan Brown**  
**Brian Dudley**

**Sub teams**

1

Pricing

2

Product Release / Doc  
Control

3

Print Services

4

Corporate Purchasing /  
Vendor Management

5

Supply Chain / Manufacturing and  
Logistics

6

Serialization

9

IT Support

16

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**Staying informed on integration progress**

Integration Update e-newsletter

Integration-specific page on Inside Adobe coming soon

Future KTB Sessions being scheduled

In-depth introduction to current Macromedia products/solutions

Integration questions?

[acquisition\\_macr@adobe.com](mailto:acquisition_macr@adobe.com)

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**Strategic vision   Shantanu Narayen**

**Q & A**

[LOGO]

## **Macromedia Overview**

Al Ramadan

EVP & GM , Mobile & Devices

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A Look at Macromedia

[LOGO]

History

Macromedia Today

Business Strategy

Values and Culture

---



## Macromedia History

Once Upon a Time . . .

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Macromedia Today

[GRAPHIC]

**Key Statistics**

|                                            |         |
|--------------------------------------------|---------|
| Revenues                                   | >\$400M |
| Employees                                  | 1,500   |
| Worldwide Offices<br>(HQ in San Francisco) | 14      |

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## Macromedia History

Revenues (\$M) by FY

[CHART]

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## Our Mission

[GRAPHIC]

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[GRAPHIC]

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[GRAPHIC]

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[LOGO]

**Provide the solutions that make great digital experiences possible.**

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Market Trends

[GRAPHIC]

Rapid expansion in devices capable of great digital experiences

Increasing amount of bandwidth: Broadband 3G

Convergence in communication vs. divergence in the range and nature of devices

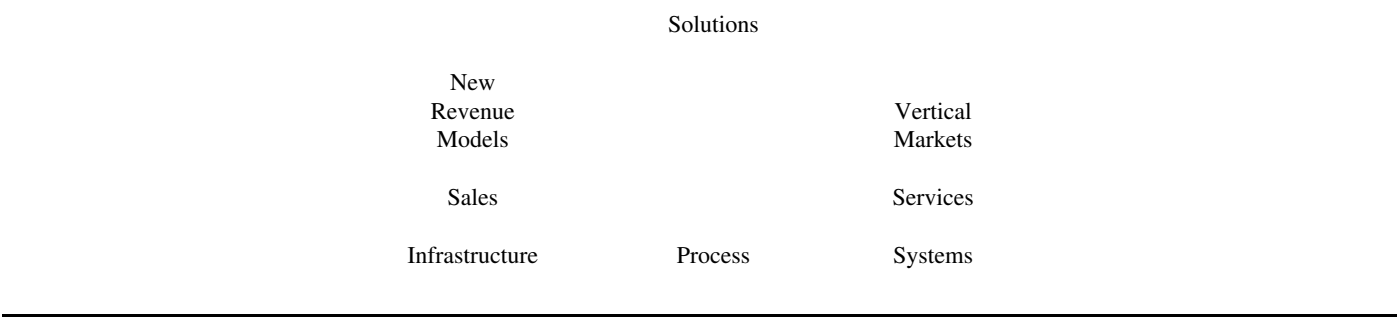
Accelerated pace of richer forms of communication

The importance of brand

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Macromedia Strategy



The Flash Platform is Everywhere

570 Million Desktops

Over 100 OEM Licensees

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Flash Adoption on PCs (1)

[CHART]

FLASH

80% in ~12 months

OTHERS

Internet Explorer 6: 77% in 51 months(2)

Windows XP: 65% after 45 months(3)

Java v1.4.x: 33% after 49 months(4)

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(1) NPD North America (June 2004)

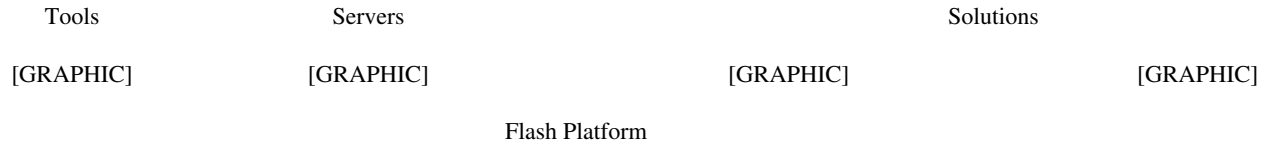
(2) Omniture 9/04, PCWorld (IE6 8/01)

(3) Gartner, MSFT (WinXP 2/01)

(4) GC Stats, Sun (J2SE 1.4 5/29/01)

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Flash Platform Revenue Drivers



60% of FY05 revenue was directly related to the Flash Platform

The Flash Platform is the foundation for the Macromedia growth agendas

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## Macromedia Business Strategy: Target Markets

### Designers/Developers

|                                                                                         |                |
|-----------------------------------------------------------------------------------------|----------------|
| Tools, server and client software for building websites and rich internet applications  | FLASH          |
| Approximately 80% of total revenue                                                      | DREAMWEAVER    |
| Targets millions of corporate in-house and independent designer/developer professionals | STUDIO<br>FLEX |

### Business Users

|                                                                                         |            |
|-----------------------------------------------------------------------------------------|------------|
| Products that enable non-technical users to create and deliver information over the web | BREEZE     |
| Approximately 10% of total revenue                                                      | CONTRIBUTE |
| Targets tens of millions of knowledge workers, business decision makers and trainers    | CAPTIVATE  |

### Consumers

|                                                                                                       |           |
|-------------------------------------------------------------------------------------------------------|-----------|
| Rich media for cell phones, PDAs and other devices                                                    | FLASHLITE |
| Approximately 10% of total revenue                                                                    |           |
| Targets hundreds of millions of consumers thru licensing to telcos and consumer electronics companies | [GRAPHIC] |

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Industry Drivers

Designers/Developers

Commoditization of bandwidth

Growth in number of rich Internet experiences

Proliferation of rich media advertising

Continued growth in web sites and intranet apps

Business Users

Compelling benefits of web based knowledge distribution/collaboration

Web Conferencing Growth (\$ in millions)

[CHART]

Source: IDC 7/03

Consumers

Massive proliferation of consumer devices

Smart phones taking off

Smartphones

4 Yr Est. CAGR = 85%

[CHART]

#Handhelds shipped worldwide (MM)

Source: In-Stat/MDR 11/03

# Smartphones (MM)

Source: Market Intelligence Center (MIC) 2/04

Carriers looking for new revenue sources

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## Business Segment Revenue

[CHART]

Business Users

Designers & Developers

Consumers

Other

6% Growth in Designer/Developer Segment

133% Growth in Business Users Segment

176% Growth in Consumers Segment

---



## Geographic Segment Revenue

[CHART]

North America

EMEA

APAC-ROW

6% Growth in North America

28% Growth in EMEA

16% Growth in APAC and ROW

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## values and Culture

### Values

Leadership leads through the change and adversity, makes the tough call when needed, motivates and encourages others

Teamwork-meets all team deadlines and responsibilities, listens to others and values opinions, helps team leader to meet goals, welcomes newcomers

Focus & Execution-targets and achieves results, sets challenging goals, prioritizes tasks, overcomes obstacles, accepts accountability,

Customer Focus-builds customer confidence, is committed to increasing customer satisfaction, assumes responsibility for solving customer problems, ensures commitments to customers are met, solicits opinions and ideas from customers

Integrity & Ethics-deals with others in a straightforward and honest manner, is accountable for actions, maintains confidentiality

### Culture

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## Strategic Rationale

### *Deliver Compelling Solutions*

Creative Professional

[GRAPHIC]

Digital Imaging & Video

[GRAPHIC]

Enterprise

[GRAPHIC]

Business User

[GRAPHIC]

Emerging Businesses

[GRAPHIC]

[LOGO]

Industry Defining Technology Platforms

[LOGO]

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This presentation includes forward-looking statements within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Words such as expect, estimate, project, budget, forecast, anticipate, intend, plan, may, will, could, should, believes, predicts, potential, contain, and other expressions are intended to identify such forward-looking statements. Forward-looking statements in this presentation include, without limitation, forecasts of market growth, future revenue, benefits of the proposed merger, expectations that the merger will be accretive to Adobe's results, future expectations concerning available cash and cash equivalents, Adobe's expectations with respect to future stock repurchases following the merger, including the timing and amount of such repurchases, and other matters that involve known and unknown risks, uncertainties and other factors that may cause actual results, levels of activity, performance or achievements to differ materially from results expressed or implied by this presentation. Such risk factors include, among others: difficulties encountered in integrating merged businesses; uncertainties as to the timing of the merger; approval of the transaction by the stockholders of the companies; the satisfaction of closing conditions to the transaction, including the receipt of regulatory approvals; whether certain market segments grow as anticipated; the competitive environment in the software industry and competitive responses to the proposed merger; and whether the companies can successfully develop new products and the degree to which these gain market acceptance. Actual results may differ materially from those contained in the forward-looking statements in this presentation. Additional information concerning these and other risk factors is contained in Adobe's and Macromedia's most recently filed Forms 10-K and 10-Q.

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